

**THE EFFECT OF SERVICE CONVENIENCE TOWARDS CUSTOMER LOYALTY IN  
*SHARIA BANK***



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**THE EFFECT OF SERVICE CONVENIENCE TOWARDS CUSTOMER  
LOYALTY IN *SHARIA* BANK**

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# THE EFFECT OF SERVICE CONVENIENCE TOWARDS CUSTOMER LOYALTY IN SHARIA BANK

## ABSTRAK

Terdapat banyak sistem perbankan di Indonesia yang berkembang menjadi cara syariah yang berdasarkan hukum Islam dan pelanggan yang mulai menaruh perhatian terhadap sistem ini. Penulis ingin menguji hubungan antara dimensi kenyamanan pelayanan terhadap loyalitas pelanggan di bank syariah dengan menggunakan kepuasan pelanggan sebagai variabel perantara. Penelitian ini bertujuan untuk mengetahui apakah kepuasan pelanggan benar-benar menengahi kenyamanan layanan dan berpengaruh signifikan terhadap loyalitas pelanggan pada bank syariah. Data dikumpulkan dengan menggunakan survei berbasis kuesioner yang terdiri dari 24 pertanyaan dan didistribusikan kepada 120 responden nasabah dari tiga bank syariah di kota Surakarta dan Demak. Penulis menggunakan metode kuantitatif untuk menganalisis data yang diperoleh dari kuesioner. Temuan menunjukkan bahwa variabel keputusan dan transaksi signifikan juga dapat dimediasi oleh kepuasan pelanggan sedangkan variabel akses dan tunjangan tidak signifikan dan tidak dapat dimediasi oleh kepuasan pelanggan.

**Keyword:** *Dimensi Kenyamanan Pelayanan, Kepuasan Pelanggan, Loyalitas Pelanggan*

## ABSTRACT

There are a lot banking system in Indonesia that expands into *sharia* way which based on Islamic law and the customers who start to put an interest toward this system. The author wants to examine the relationship between service convenience dimensions towards customer loyalty in *sharia* bank using customer satisfaction as the mediating variable. This study aims to determine whether customer satisfaction really mediating the service convenience and has significant effect on customer loyalty in *sharia* banks. Data were collected using questionnaire based survey consisting of 24 questions and distributed to 120 respondents from three *sharia* banks customers in Surakarta and Demak city. The author used quantitative method to analyze the data that obtained from questionnaire. The findings showed that decision and transaction variable are significant also can be mediated by customer satisfaction while the access and benefit variable are insignificant and cannot be mediated by customer satisfaction.

**Keyword:** *service convenience dimension, customer satisfaction, customer loyalty*

## 1. Background

Indonesian banking industry start around 1960's, and at time the system that the banks ran was just credit system which is obviously taking interest from every transaction between two parties (Producer and customer). Furthermore, the following decade Indonesia experienced problem about taking care all the interest rate that keep increasing. Since the problems that cause chaos in the banking industry, in the year 1999 Bank Muamalat Indonesia was born as a result of National conference that done by MUI (Indonesian Council of Ulama).

Bank Muamalat Indonesia was presented something new with the Islamic Financial model that in the last decade were started to apply in some conventional bank. Indonesian banking has growth significantly including the banking system which is based on the principles of Islamic law. The two basic principles of Islamic banking are the mutual sharing of profit and loss and the prohibition of the collection and payment of interest (Kashif, Suzana, Shukran, Rehman Sarifuddin, 2015).

Furthermore, since Indonesia known with the highest Muslim population in the world, many banking companies start to following the pattern and make the competition which one serving a better services they can give to the customer through their *sharia* bank's product. Banking Company usually starves for gaining new customer to use their product and try their best to maintain their old customer to stay with them. Some event may become an alternative way to prevent their customer to leave but customer satisfaction and perceived service value are more influential than anything in product (in term of services).

Sharia bank's total assets per December 2016 is 20.208 (Billion) and the number of employee 50.997 (Otoritas jasa keuangan, 2016) who work in sharia bank It means that the demand from the customer of the creating *sharia*'s system into the banks is positive. The fact those banks keep increasing in the amount of units, the assets of *sharia* bank in the last three years are not satisfying since it keep continuously decreasing. One of many factors inhibiting Islamic banking growth is the lack of performances that are applied in Islamic financial institutions and their special practices.

According to Badlerdin (2009), measuring the performance of Islamic banks is necessary to be able to detect problems and settle concerns about the safety and soundness of investments for depositors and for the bank. For this reason it becomes important to investigate and identify one possible way to overcome the Sharia Bank problems. Bank generally is a business that most of its products are services.

Berry et. al. (2002) stated that convenience in service industry is important for all involved parties (bank and customer). Valued services through the implementation of performances in which the service can facilitate this convenience. The interest of consumers to save time and effort is a phenomenon that encourages the growth of convenience (ease; comfort; the efficiency of time) of goods and services. Socio-economic change, technological advances, a lot of competitive business environments, as well as the opportunity cost, which continues to rise with income, contributing to increase consumer demand for convenience.

There are five type of Convenience Services that defined by berry, et. al. (2002); Decision Convenience, Convenience Access, Transaction Convenience, Convenience Benefit, And

Convenience Post-benefit facilitate the *Sharia* bank to review the comfort of knowing how the *sharia* bank seen by customer who using these services.

In the marketing studies show the need to develop and maintain long-term relationships with the customers which is related to affective cognitive approaches. Satisfaction has been clearly observed to be one of the most commonly used metrics of bank managers to guide their customer loyalty efforts (Aksoy, 2014). The satisfaction rate for certain Service Company might be the highest priority thing above all and need to take concern more than the other aspect

This study makes an attempt to address these all gaps by studying the impact of service convenience dimensions on customer satisfaction and loyalty. It also identifies the impact of customer satisfaction on customer loyalty.

## **1.1 Literature Review**

### **1.1.1 Service Convenience**

Bivens and Volker (1986) define Service Convenience as Intrinsic to consumer's perceptions of service convenience are the time and effort required to buy or use a service. Time and effort are non monetary costs consumers must bear to receive the service. The degree of cost varies, but the presence of some amount of time and effort cost is inherent. Time and effort are opportunity costs that prevent consumers from participating in other.

Colwell (2008) defines service convenience as adding value to the customer by decreasing the amount of time and effort a customer need to expend to get the service from the company. In other words, saving times and efforts are surplus point of service convenience and the reason customers are interested in the service (Brown, 1990). The service convenient service itself has five dimensions that defined by Berry, et. al.2002. Those are decision convenience, access convenience, transaction convenience, benefit convenience, post-benefit convenience;

### **1.1.2 Customer Satisfaction**

Customer satisfaction definition might have been debated for every company. Moreover, satisfaction is an outcome which gave by the customer after experiencing service. Fečíková (2004), defines satisfaction is just the result of something that went well and customer's evaluation towards service they received. It means that the goal of a service company is reducing something that went wrong which resulted in customer's complaints. The company needs to reduce the complaints in order to eliminate negative influence which may come after experienced service from the company. Furthermore, complaint is only one of the causes to the customer's evaluation towards company's

product.

Abu-elsamen, et.al (2011), argues that satisfactions are related to the successful business offer better service product when type of service's products and prices are similar. The same goes from Raza, et.al (2015), defines customer satisfaction as a measure of the performance of a company's product or service in correspondence to the needs and requirements of customer.

From definition above, the company can draw the line that in order to maintain their customer or even desire to increase their valuable customer. The bank companies need to pay attention to what customer want. The observation is to examine whether the customer satisfaction will be intermediary factor for the company due to their benefits.

### **1.1.3 Customer Loyalty**

According to Amin (2013), loyalty refers to customer's commitment to repurchase a certain product or service consistently in the future. Baumann, et.al (2011), adding that the level of risk aversion is positively related with the product involvement, which means that higher levels of risk taking are also become consideration for customer for not taking the product that will give negative effect to their investment. It is expected that risk aversion also become an influential variable in bank loyalty.

Remaining loyal to an existing service provider holds benefits for customer as well because it helps to reduce time and resources used determining alternatives (Hunt et. al.,2006).

## **1.2 Research Model and Hypothesis**

Understanding the decision from customer whether they wants to buy or self-perform the service is a complex matter. A service that designed to save customers time may be perceived as not worth the effort in finding a reliable firm to be used. Berry, et. al. (2002) stated that one form of convenience may trigger another form of inconvenience. Customer may do the self-perform service to make sure they got the service on time rather than buy the service that can save their time. Furthermore, the inconvenience that created from unsatisfied feelings from customer come up and become greater. It will give negative effect on customer satisfaction towards the provider.

H1a: Decision convenience has significant effect on customer satisfaction.

Access convenience is type of convenience that related directly to the customer. It means that how the customer initiates to get the service from the provider. According to Berry, et. al. (2002), the services directly performed to the customer are inseparable. Inseparability means that customer



availability and *Shariah* bank service availability must be synchronized. For example, when customer wants to transferring huge amount of cash to someone, they need to go to the bank so they can help you transferring it safely.

Moreover, Berry (2002) explained that access convenience is the main factor for customer to do self-perform to some certain service. It reduces customer dependence on service that accessibility of the service may be inconvenient. For example, Automatic Teller Machine (ATM) can be replacement when the bank offices are closed.

H1b: Access convenience has significant effect on customer satisfaction.

In the transaction convenience, the customer still needs to participate in transaction after buying the service. An exchange that occur using money as tool to secure the service that already bought (Berry, et. al. 2002). Colwell (2008), adding that the essence of the transaction convenience is customer can efficiently assume possession of the acquired service. However, Inconvenient may be appearing due to the transaction that consuming the customer time that have got in queue. The negative feeling that might come, giving a bad impression for the bank which is also affect the customer satisfaction towards the *sharia* bank

H1c: Transaction convenience has significant effect on customer satisfaction

The stage after purchasing service is getting the benefit from the service provider. The essence of the benefit convenience according to the Berry, et. al. (2002) is the customer experiences the service's main benefit. For example, a bank company uses *sharia* law as their banking system that require them to use Islamic way on controlling money, how to set the agreement with the customer and all of the activity inside the bank should be synchronized with Islamic law. On the other words, the customer choose to use the service provider (bank) which means they want to entrust the money to manage them in the Islamic way. If the customer know that their service provider did not used the *shariah* law in terms of managing their customer money it would be bad for the relationship between two parties.

H1d: Transaction convenience has significant effect on customer satisfaction

Unsatisfied customer would not make repeat purchase so, customer satisfaction is considered become an important value for company which ran a service provider. The service company should review whether the customer satisfied with their given services or not. Because maintaining customer satisfaction could have make the feel to become loyal to company's product (service). Caruana 2002, determine that in the bank industry, customer often develop an attitude toward purchasing behavior based on past experience. It means that these experiences lead the customer to become loyal or a desire

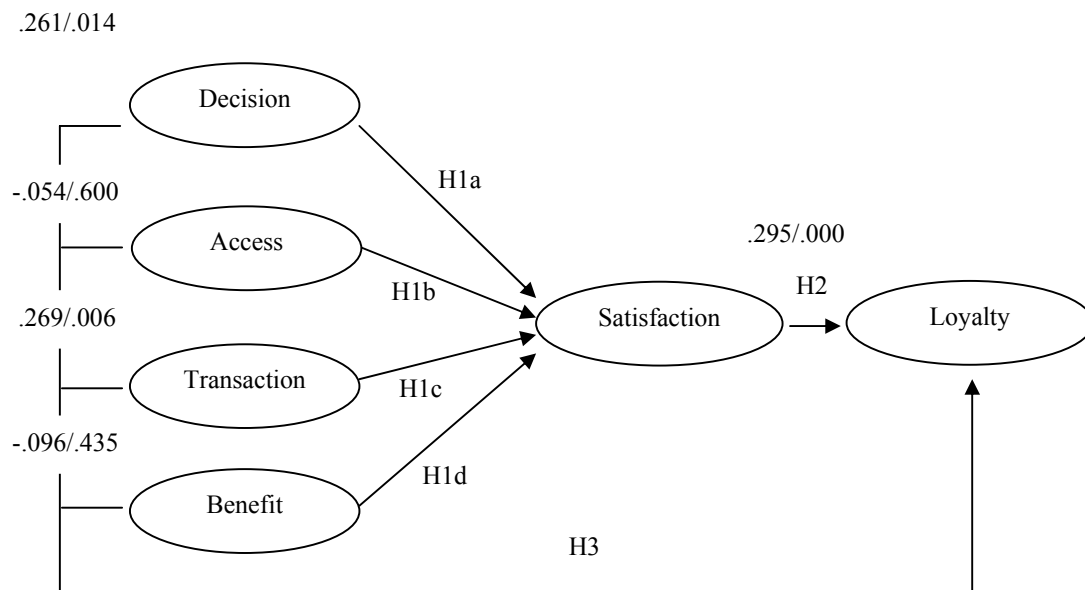
to switch to another service provider. Customers who are highly satisfied could keep dealing with the bank they use and may provide a positive influence to other customer based on their experienced.

H2: Customer satisfaction has positive effect on customer loyalty.

Customer satisfaction is considered as mediating variable between service convenience dimensions and customer loyalty. Transaction, access, decision and benefit convenience have significant impact on customer satisfaction and loyalty (Colwell, 2008). Husain (2016) also argued that satisfaction acts as intervening variable between perceived value and loyalty in the airline industry. From both previous studies it can be conclude that customer satisfaction is qualified to be intervening variable between Independent and dependent variable. The possibility of the customer satisfaction become mediating variable is depend on the result of the dependent and independent variable, they will grouped into partially or fully mediated.

H3: Customer Satisfaction mediating the relationship between service convenience dimensions and customer loyalty.

Furthermore, the research model in this study will be presented in the picture below:



**Figure 1**  
**Research Framework**

## 2. Research Methodology

This research is explanatory or causal research using survey methods in the collecting data process. The primary data were collected by distributing questionnaire. Probability sampling technique was

used to this study. Sampling were taken by using purposive sampling method, it means the sample that chosen in this study was part of sharia bank customers. In this study, the technique used in the measurement of the questionnaire using agree-disagree scale (Likert scale). This scale develop questions that produce agree - disagree in a variety of ranges of values. The scale used to measure is the scale at intervals of 1-5; from strongly disagree to strongly agree. The content of the questionnaire were adopted from study that conducted by Kaura, 2015 and Colwell, 2008. The descriptive data were also collected in this study such as; bank's name, gender, age, occupation, marital status, monthly income, and how long did the customer has been a customer to a sharia bank. The questionnaire was distributed for 120 people in Solo and Demak City.

The data that collected in this study were analyzed using SPSS 24.0 for Windows. Validity test is used to measure whether a valid or invalid questionnaires. A questionnaire stated valid if the questions on the questionnaire were able to reveal something that will be measured by the questionnaire while reliability test is a tool to measure a questionnaire, which is an indicator of the variables or constructs. The author used Confirmatory Analysis Method (CFA) as analysis technique and Cronbach Alpha statistical test ( $\alpha$ ) as reliability test measurement tool. The item of the questionnaire can stated as valid if the loading factor value higher than 0.3 and it can be stated reliable if the Cronbach Alpha value is greater than 0.60 (Ghozali, 2013)

This study uses the path analysis to figure out how big the structural relationships between latent variables. Path analysis is a straightforward extension of multiple regressions (Kline, 1998). Its aim is to provide estimates of the magnitude and significance of hypothesized causal connections between sets of variables. Afterwards, the regression results will be tested by using the Sobel calculation method. Sobel test method using z value to measure whether the intervening variable has an ability to mediate between the dependent variable and the dependent variable

Accuracy function regression in estimating the actual value can be measured from statistically test at least this can be measured by the value of the statistic value F test, T test, and the value of the determination coefficient ( $R^2$ ). The calculation referred to in a significant way in the test value F and t-test is in critical areas (regions where  $H_0$  is rejected).

### 3. Findings

#### 3.1 Descriptive Analysis

The result of the data that were collected, it can be known the variety of the data of respondents characteristic; the majority of the customers were using Bukopin sharia banks with 74% of the customer, Mandiri sharia with 6% of the customer, while BNI and BRI sharia share the same percentage at 10%. The differences between male and female respondent in this study were 18, where female were less than male respondent. Respondent characteristic based on the occupation were dominated by student with 90% of the respondent, while government employee and entrepreneur share the same amount at 5%. The majority of the respondent's marital statuses were single with 92% and married were about 8%. There were 13 respondents (11%) who under 20 years old, 100 respondents (83%) who aged between 20 to 35 years old and 6 respondents (5%) are those who aged above 36 years old. Monthly income respondents in this study stated that 110 respondents (92%) have monthly income below IDR 5.000.000, 9 respondents (8%) have monthly income around IDR 5.000.000 to IDR10.000.000 and only 1 respondent (1%) who has monthly income above IDR 10.000.000. The last was how long the respondent has been a customer in a sharia bank. It shows that most of the respondents that taken as the respondent are conducted transaction with the bank below 5 years have 114 respondents or 95%. Moreover, only 5% or 6 respondents who have conduct transaction with the bank for around 5 to 10 years.

#### 3.2 Respondent Responses

The respondents' responses that were collected by the researcher from the questionnaires will be the main information in this study. From those responses, the researcher could understand whether the reality happened in line with customers' expectations or not. These are the tables of the respondents' responses on each variable from the study:

**Table 1**  
**Respondent Response about Decision**

Code	Question	Mean
Dec1	Information received made it easy to choose	4.27
Dec2	Making up my mind about what to buy was easy	4.25
Dec3	The information that I receive from this bank is clear and easy to understand	4.53
Dec4	Service provider let me know exact cost or special offers	4.35

Source: Primary data, 2017

Table 1 shows the questions and means for each instrument about decision, it is one of the service convenience dimensions that researcher used. The table contains of four statements related to the decision from customer to the *Sharia* banks. From the table also can be seen that all of the respondent agree with the statement which is shown from the question above and the highest average answer is the third question with mean value 4.53.

**Table 2**  
**Respondent Response about Access**

Code	Question	Mean
Acc1	This bank is available when I need to interact with them.	3.42
Acc2	The service provider is accessible through various ways (online, telephone, in person, ATM).	3.86
Acc3	The hours of operation of the service provider are convenient.	3.71
Acc4	Location of this bank branches are easy to access.	3.86

Source: Primary data, 2017

Table 2 shows questions and mean value from one of the service convenience dimensions Access. The table contains four statements which related to how the customer accessing the bank's services. From the table above, it can be seen that the mean value from all the questions are above 3.00 which means most of the respondents agree with the questions that given by the researcher.

**Table 3**  
**Respondent Response about Transaction**

Code	Question	Mean
Tra1	I find it easy to complete my service purchase with this bank.	4.46
Tra2	I am able to complete the purchase of my service quickly with this bank.	4.48
Tra3	It takes little effort to deal with this bank during purchase.	4.55

Source: Primary data, 2017

Table 3 shows the question and mean value from the transactions element which is also part of the service convenience dimensions. There are three question that given by the researcher to explain the element of the transaction in this research. From the table above, all of the questions have mean value above 4.00 with the highest value on the second questions (4.55)

**Table 4**  
**Respondent Response about Benefit**

Code	Question	Mean
Ben1	I am able to get the benefits of this service with little effort.	3.60
Ben2	The time required to receive the benefits of service is reasonable.	3.54
Ben3	The products (Atm, loans and savings) from this bank are easy to use.	3.67

Source: Primary data, 2017

Table 4 shows the question from the Benefit variable which also included in the service convenience dimensions. From the table above explains that all of the customers agree with the benefit point that given by the banks that reflected on the mean value that stand above 3.00.

**Table 5**  
**Respondent Response about Customer Satisfaction**

Code	Question	Mean
CS1	My choice to avail this bank service is a wise one.	3.73
CS2	I did the right thing when I chose this bank for its services.	3.76
CS3	Services of this bank are exactly same what I need.	3.68
CS4	Overall I am satisfied with the service of the bank	3.99
CS5	The interaction impression with this bank is satisfactory	3.62

Source: Primary data, 2017

Table 5 shows the questions and the mean value from the customer satisfaction variable which in this research becomes mediating variable between service convenience dimensions and customer loyalty. The table contains five question that indicate the satisfaction value from the customers toward the services that given by the banks. It can be seen that all of the customer are satisfied which is reflected on the mean value that stand above 3.00.

**Table 6**  
**Respondent Response about Customer Loyalty**

Code	Question	Mean
Loy1	I say positive things about this bank to other people.	2.96
Loy2	I recommend this bank to others.	3.46
Loy3	I encourage friends and relatives to do business with this bank.	3.67
Loy4	I consider this bank my first choice to avail banking services.	3.74
Loy5	I will do more business with this bank in future also.	3.58

Source: Primary data, 2017

Table 6 shows the questions and the mean value of the customer loyalty which is also the dependent variable in this research. The table contains five questions that indicate the loyalty rate of the

customers toward *Sharia* banks. It can be seen that most all of the respondents seems to agree with the statement. It is shown with the mean values that are above 3.00 except for the first question which only have mean value 2.96.

### 3.3 Validity and Reliability Test

Table 7 shows the validity and reliability test result. The data below were already extracted and have loading factor value more than 0.3 for the whole item, it means that the data stated valid and pass the Confirmatory Factor Analysis test. The reliability test result can be seen in the Cronbach Alphas' columns, all items that analyzed were above 0.6. So all variable can be stated reliable. Which means it can process for further analysis.

**Table 7**  
**Result of validity and Reliability**

Variable	Code	1	2	3	4	5	6	Cronbach Alpha
Decision	D1				0.903			0.830
	D2				0.839			
	D4				0.828			
Access	A2			0.797				0.684
	A3			0.843				
	A4			0.710				
Transaction	T1	0.881						0.891
	T2	0.912						
	T3	0.910						
Benefit	B1		0.799					0.611
	B2		0.770					
	B3		0.666					
Customer Satisfaction	CS1					0.767		0.690
	CS2					0.827		
	CS3					0.705		
	CS4					0.503		
Customer Loyalty	L3						0.817	0.756
	L4						0.777	
	L5						0.802	

Source: Primary data, 2017

### 3.4 Hypothesis Test

Path analysis is the expansion of the regression statistics model. It can be said that regression analysis is the special form of path analysis. Path analysis used to explain and test the model of the causal relationship between variables (Sugiyono, 2009). In this study the author used the regression analysis to test the path analysis model which is will be continued using Sobel test to draw the conclusion. The result of path analysis in this study will be present in the following tables.

**Table 8**  
**Result of Regression Model 1**  
**(Customer Satisfaction as the Dependent Variable)**

Independent Variable	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	9.833	2.248		4.382	.000
Decision	.261	.105	.226	2.500	.014
Access	-.054	.102	-.045	-.526	.600
Transaction	.269	.095	.255	2.823	.006
Benefit	-.096	.123	-.068	-.784	.435
R square			.155		
S. Error of Est.			2.342		
F Test			5.290		
Significant F			0.001		

Source: Primary data, 2017

Table 8 explains the findings from the first regression analysis model by using SPSS program, the equation model is as follows:

$$\text{Customer Satisfaction} = 0.261 \text{ Decision} - 0.054 \text{ Access} + 0.269 \text{ Transaction} - 0.096 \text{ Benefit} + e$$

The result of the first model's test of the data that analyzed by SPSS for Decision Variable was obtained t count = 2.500 with a significant level of 0.014. It explains that significant level of decision variable is smaller than determined significant level of 0.05, which means that  $H_0$  refused and  $H_a$  accepted. So it is known that decision variable has significant effect to the customer satisfaction or  $H_{1a}$  is supported.

The result of the first model's test of the data that analyzed by SPSS for Access Variable was obtained t count = -.526 with a significant level of 0.600. It explains that significant level of access variable is greater than determined significant level of 0.05, which means that  $H_0$  accepted and  $H_a$



refused. So it is known that access variable has no significant effect to the customer satisfaction or H1b is not supported.

The result of the first model's test of the data that analyzed by SPSS for Transaction Variable was obtained t count = 2.823 with a significant level of 0.006. It explains that significant level of decision variable is smaller than determined significant level of 0.05, which means that Ho refused and Ha accepted. So it is known that transaction variable has significant effect to the customer satisfaction or H1c is supported.

The result of the first model's test of the data that analyzed by SPSS for Benefit Variable was obtained t count = -.784 with a significant level of 0.435. It explains that significant level of access variable is greater than determined significant level of 0.05, which means that Ho accepted and Ha refused. So it is known that benefit variable has no significant effect to the customer satisfaction or H1d is not supported.

**Table 9**  
**Result of Regression Model 2**  
**(Customer Loyalty as the Dependent Variable)**

Independent Variable	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	6.520	1.245		5.237	0.000
Cus. Satisfaction	.295	.081	.318	3.640	0.000
R square			.101		
S. Error of Est.			2.213		
F Test			13.252		
Significant F			.000		

Source: Primary data, 2017

Futhermore, Table 9 shows the second regression analysis model by using SPSS program, the equation model is as follows :

$$\text{Customer Loyalty} = 0.295\text{Satisfaction} + e$$

The result of the second model's test of the data that analyzed by SPSS for customer satisfaction whether it is influencing the customer loyalty as the dependent variable or not. The obtained t count = 3.640 with a significant level of 0.000. It explains that significant level of customer satisfaction is smaller than determined significant level of 0.05, which means that Ho refused and Ha accepted. So it

is known that customer satisfaction has significant effect to the customer satisfaction or H2 is supported.

**Table 10**  
**Result of Regression Model 3**  
**(Customer Loyalty as the Dependent Variable)**

Independent Variable	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	5.539	2.167		2.556	.012
Decision	.207	.096	.193	2.156	.033
Access	.068	.091	.062	.745	.458
Transaction	.182	.088	.186	2.068	.041
Benefit	-.289	.110	-.218	-2.625	.010
Customer Satisfaction	.177	.083	.191	2.122	.036
R square			.223		
S. Error of Est.			2.093		
F Test			6.543		
Significant F			0.000		

Source: Primary data, 2017

In the table 4.22 above, it shows the third regression analysis model by using SPSS program, the equation model is as follows:

$$\text{Customer Loyalty} = 0.207 \text{ Decision} + 0.068 \text{ Access} + 0.182 \text{ Transaction} - 0.289 \text{ Benefit} + 0.177 \text{ Satisfaction} + e$$

It can be seen from table 4.23 almost all of the variables from service convenience dimension are mediated by customer satisfaction except Access Variable and Benefit Variable which cannot be mediated because of the significant value towards customer satisfaction and loyalty are more than 0.05. It can be drawn that Customer Satisfaction can mediate the service convenience dimensions toward customer loyalty or H3 is supported.

### 3.5 Model Summary

In this study, three regression results are found as per the objectives. The first regression analysis results consider service convenience dimension as independent variable and customer satisfaction as dependent variable. The second regression analysis results consider customer satisfaction as independent variable and customer loyalty as dependent variable. The last regression analysis results

consider service convenience dimension and customer satisfaction as independent variable and customer loyalty as independent variable.

**Table 11**  
**Model Summary Table**

Independent Variable	Model 1 (DV: C. Satisfaction)			Model 2 (DV: C. Loyalty)			Model 3 (DV: C. Loyalty)		
	B	t	Sig.	B	t	Sig.	B	t	Sig.
(Constant)	9.833	4.382	.000				5.539	2.556	.012
Decision	.261	2.500	.014				.207	2.156	.033
Access	-.054	-.526	.600				.068	.745	.458
Transaction	.269	2.823	.006				.182	2.068	.041
Benefit	-.096	-.784	.435				-.289	-	.010
								2.625	
C.Satisfaction				.295	3.640	0.000	.177	2.122	.036
R square		.155			.101			.223	
Adj. R square		.126			.093			.189	
SE of Est.		2.342			2.213			2.093	
F Test		5.290			13.252			6.543	
Significant F		0.001			.000			0.000	

Source: Primary data

Table 11 explains about the relationship between service convenience dimensions and customer loyalty which is mediated by customer satisfaction.

The data result indicates that the effect of decision variable on customer satisfaction is .261 and the effect of the decision variable on customer loyalty is .033 with 5% of significant level. Therefore, customer satisfaction partially mediates the relationship between decision variable and customer loyalty. The data result indicates that the effect of access variable on customer satisfaction is -.054 and the effect of the access variable on customer loyalty is .458 with 5% of significant level. Therefore, customer satisfaction cannot mediate the relationship between access variable and customer loyalty. The data result indicates that the effect of transaction variable on customer satisfaction is .269 and the effect of the transaction variable on customer loyalty is .182 with 5% of significant level. It means that customer satisfaction partially mediates the relationship between decision variable and customer loyalty. The data result indicates that the effect of benefit variable on customer satisfaction is -.096 and the effect of the benefit variable on customer loyalty is -.289 with 5% of significant level. It means that customer satisfaction cannot mediate the relationship between benefit variable and customer loyalty.

Summary, the explanation above are supporting the third hypothesis which stated that that customer satisfaction can mediate the service convenience dimensions toward customer loyalty

### 3.6 Sobel Test

The regression results from each models explained the relationship of service convenience, customer satisfaction and customer loyalty. Afterwards, the regression results will be tested by using the Sobel calculation method. Sobel test method using z value to measure whether the intervening variable has an ability to mediate between the dependent variable and the dependent variable. The author used Sobel calculator online to calculate the z value of each variable which is will be explained in the table below:

Based on the table 12, the Sobel test resulted the z value for the decision ( $z_1$ ) = 2.05309597, it is greater than 0.98 with significant level of 0.05. It proves that the customer satisfaction variable has ability to mediate decision variable. The z value for the access ( $z_2$ ) = -0.52390546, it is smaller than 0.31 with significant level of 0.05. it proves that the customer satisfaction variable cannot mediate access variable. The z value for the transaction ( $z_3$ ) = 2.23543092, it is greater than 0.99 with significant level of 0.05. It proves that the customer satisfaction variable has ability to mediate transaction variable. The z value for the benefit ( $z_4$ ) = -0.76316009, it is smaller than 0.24 with significant level of 0.05. It proves that the customer satisfaction variable cannot mediate benefit variable.

**Table 12**  
**Sobel Test Results**

Variables	Beta Value (Unstandardized Coefficient)	Standard Error	Z Value
Decision	.261	.105	2.05309597
Access	-.054	.102	-0.52390546
Transaction	.269	.095	2.23543092
Benefit	-.096	.123	-0.76316009

Source: Primary data, 2017

### 3.7 F Test

The result of the ANOVA test or F test of statistical calculation model one is 5.290 with significance level of 0.001. Because of the probability (0.001) is smaller than 0.05, then the model assumed fit and can be used to predict the customer satisfaction. The result of the second statistical calculation model is 13.252 with significance level of 0.000. Because of the probability (0.000) is

smaller than 0.05, then the model assumed fit and can be used to predict the customer loyalty. The result of the third statistical calculation model is 6.543 with significance level of 0.000. Because of the probability (0.000) is smaller than 0.05, then the model also assumed fit and can be use to predict the customer loyalty.

### 3.8 Coefficient $R^2$

The coefficient of determination ( $R^2$ ) essentially measures how far the ability of the model to explain variations in the dependent variable. The coefficient of determination is between zero and one (Ghozali, 2001).

**Table 13**  
**Coefficient of Determinant ( $R^2$ ) Model 1**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.394 <sup>a</sup>	0.155	0.126	2.342

a. Predictors: (Constant), Decision, Access, Transaction, Benefit

b. Dependent Variable: Customer Satisfaction

Table 13 shows the  $R^2$  value is 0.155; it means that 15.5% customer satisfaction can be explained by the variable of the service convenience dimensions, which are decision, access, transaction and benefit. While the rest 84.5% can be explained by other variables out of the model. The range of the  $R^2$  value is between 0 and 1, the smaller the value of  $R^2$ , the weaker the relationship between the variables.

**Table 14**  
**Coefficient of Determinant ( $R^2$ ) Model 2**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.318 <sup>a</sup>	0.101	0.093	2.213

a. Predictors: (Constant), Customer Satisfaction

b. Dependent Variable: Loyalty

Table 14 shows the  $R^2$  value is 0.101; it means that 10.1% customer loyalty can be explained by the variable of customer satisfaction. While the rest 89.9% can be explained by other variables out of the model.

**Table 15**  
**Coefficient of Determinant ( $R^2$ ) Model 3**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.472 <sup>a</sup>	0.223	0.189	2.093

a. Predictors: (Constant), Decision, Access, Transaction, Benefit, Customer Satisfaction,

b. Dependent Variable: Loyalty

Table 15 shows the  $R^2$  value is 0.223; it means that 22.3% customer loyalty can be explained by the variable of service convenience dimensions and customer satisfaction. While the rest 77.7% can be explained by other variables out of the model.

### 3.9 Discussion

The validity and reliability test result that has been discussed before indicate that all of the variables are valid and reliable. It means that the data that the researcher used can be proceed and analyzed further.

The regression analysis in this study resulted that service convenience have positive effect on customer loyalty directly or indirectly through customer satisfaction. This is indicated that this research is in line with the previous studies (Kaura, et. al., 2015, Colwell et. al. 2008) which found that service convenience and customer loyalty are related positively using customer satisfaction as the mediating variable.

However, there are some differences between this study and the previous one. Several variables of the service convenience dimension are not significant toward customer satisfaction or customer loyalty. This is resulted in the hypothesis whether it is supported or not.

From all of the service convenience that becomes indicators in this study, decision and transaction variables are two indicators which giving greater contributions to satisfy the customer. The customer did the right thing in deciding which *sharia* bank to choose for helping their life plans and easily complete the transaction procedure that given by the bank. The more customers experience the necessary of the service convenience event, the greater their satisfaction towards the business (Chang, 2010). Furthermore, the *sharia* banks also need to consider the other indicator which will shows a positive results in the future. Improve the convenience by giving more time and place for the customers to get access to the bank may become a way to gain customer satisfaction and loyalty.

Moreover, although there are some indicators that are insignificant, people may still consider it as an important part for getting the loyalty from the customer. It is shown from the responses which are

mostly agree with the indicator that given by the researcher. Saleemet. al. (2002) considers marketorientationso that organizations motivated to share knowledge with customers, employees, and competitors in order to create and deliver new products and services that enhance business performance through customer loyalty.

Coelho (2012) argue that giving service customization can be a valuable tool for relationship building through achieving higher levels of customer satisfaction and trust. *Sharia* bank which is considered as a “different” banking system, it is recommended to use service customization as their tool to start gaining trust and satisfaction from customers. The result of having this tool may drive the *sharia* bank into having customer loyalty.

#### **4. Conclusion**

From the research, it was found that service convenience dimension have significant effect towards customer satisfaction. Furthermore, during the research it was found that there were only two variable from service convenience dimension (decision and transaction variable) which have significant effect on customer satisfaction. It means that the service convenience dimension is low, but still can be considered affecting customer satisfaction. So, the higher service convenience value that experienced by the customer, the higher satisfied customers are to be expected. Customer satisfaction variable has significant effect on the customer loyalty. It was found that the satisfied customer will create loyalty towards *sharia* banks. So, in order to get customer loyalty the *sharia* banks need to improve their customer satisfaction by improving their convenience value. The final conclusion, the relationship between service convenience, customer satisfaction and customer loyalty are positive. Moreover, it was explained by customer satisfaction which mediating the independent variable towards dependent variable with different type of mediator.

##### **4.1. Implication**

Based on this study, variable of service convenience dimensions have a significant effect on customer loyalty through customer satisfaction. The results are same with the previous study, but the researcher found several differences on service convenience dimensions that there were strong and weak effect on customer satisfaction, and some dimensions were insignificantly effect the customer satisfaction. This phenomenon could be happened based on several causes, such as the location of research is different, the bank’s system the researcher took were different, the study only took several variables affecting customer satisfaction. However, customer satisfaction still has significant effect on the customer loyalty.

## 4.2. Suggestion

For the future research the author suggests to pick respondents not only focused in the university student, but also take other respondent equally based on the demographic. It is important for the future studies to take all of the service convenience variable and adding some other variable that can be affecting customer satisfaction and customer loyalty. The researcher suggests picking the bank specifically or equally (in number) with the same banking systems. Finally, try to test the model of this study in another service company.

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